IN THE CIRCUIT COURT OF THE STATE OF OREGON

FOR THE COUNTY OF MULTNOMAH

JULIE CHRISTOFFERSON TITCHBOURNE, Plaintiff, vs. CHURCH OF SCIENTOLOGY, MISSION OF DAVIS, a non-profit California corporation, doing business in Oregon; CHURCH OF SCIENTOLOGY OF CALIFORNIA, a California corporation, doing business in Oregon; and L. RON HUBBARD, Defendants.	)	No. A7704-05184

EXCERPT OF PROCEEDINGS

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Testimony of William W. Franks

BE IT REMEMBERED that the above-entitled matter came on regularly for hearing before the Honorable Donald H. Londer, Judge of the Circuit Court of the County of Multnomah, State of Oregon, commencing at the hour of 9:30 a.m., on Tuesday, the 19th day of March, 1985.

he would take over all of the functions of running the Church. He would be the head of the church. And I was appointed to that post.

Q. Did your powers include all sections of the Church, all divisions of the Church?

A. Not immediately. There was resistance from the Guardian's Office for me taking that over even though he had instructed that I should take it over. But that was resolved in July of -- very early July, like July 3, 1981, when we took over the Guardian's Office.

Q. What was the first thing you did after becoming the Executive Director International?

A. I began to immediately get onto money as my major priority. Not only making money, but also making sure that we were investing. I personally was responsible for an account of about a hundred fifty million dollars, and that was called Sea Org Reserves, that was the title of that. And I was immediately -- The first thing I did was to draw up a program for investing those reserves in a way that we would make more money.

Q. With respect to the hundred and fifty million dollars, how did you determine that those were the Sea Org Reserves?

A. Well, that was what was allocated in that particular fund.

MR. COOLEY: On control?

THE COURT: Well, more so than the issue of control. It does have a bearing on control, yeah, some, but it tends to show the eventual flow of the money.

MR. COOLEY: This chart shows -- the flow chart has already been went over over my objection. We now have the income for one week, picked September of '82, every mission -- apparently every mission, I don't know, in the United States.

MR. WADE: It was western United States, only.

MR. COOLEY: All right. You are right. Western US. The western US and it has New West US Missions. He's now asked for the entire income figure on the theory that ten percent flows up to the Church of Scientology of California, as I understand it. I don't believe that that is admissible as additional evidence in view of what's already gone in. We have an estimate of the net worth of Church of Scientology of California already given by this witness, over my objection, at three hundred and forty million dollars. Now, it seems to me --

THE COURT: You have another defendant in